



General Assembly

January Session, 2013

***Raised Bill No. 1046***

LCO No. 3914



Referred to Committee on FINANCE, REVENUE AND  
BONDING

Introduced by:  
(FIN)

***AN ACT CONCERNING INSURANCE TAX PROVISIONS.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Subsection (b) of section 38a-91nn of the general statutes  
2 is repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2013*):

4 (b) Each captive insurance company shall pay to the Commissioner  
5 of Revenue Services, [in the month of March] on or before March first  
6 of each year, a tax at the rate of (1) two hundred fourteen thousandths  
7 of one per cent on the first twenty million dollars, (2) one hundred  
8 forty-three thousandths of one per cent on the next twenty million  
9 dollars, (3) forty-eight thousandths of one per cent on the next twenty  
10 million dollars, and (4) twenty-four thousandths of one per cent on  
11 each dollar thereafter, on assumed reinsurance premiums collected or  
12 contracted for on policies or contracts of insurance written by the  
13 captive insurance company during the year ending December thirty-  
14 first next preceding, provided no tax under this subsection shall apply  
15 to premiums for risks or portions of risks that are subject to taxation on

16 a direct basis pursuant to subsection (a) of this section. No tax under  
17 this subsection shall be payable in connection with the receipt of assets  
18 in exchange for the assumption by a captive insurance company of loss  
19 reserves and other liabilities of another insurer under common  
20 ownership and control, if such transaction is part of a plan to  
21 discontinue the operations of such other insurer and if the intent of the  
22 parties to such transaction is to renew or maintain such business with  
23 the captive insurance company.

24 Sec. 2. Section 12-204f of the general statutes is repealed and the  
25 following is substituted in lieu thereof (*Effective July 1, 2013, and*  
26 *applicable to estimated tax payments for calendar years commencing on and*  
27 *after January 1, 2014*):

28 (a) If any domestic insurance company has paid as an installment of  
29 estimated tax an amount in excess of the amount determined to be the  
30 correct amount of such installment, such amount shall be credited  
31 against any unpaid installment or against the tax. If the amount  
32 already paid, whether or not on the basis of installments, exceeds the  
33 amount determined to be the correct amount of the tax, such company  
34 shall be paid by the State Treasurer, upon order of the Comptroller, the  
35 amount of such overpayment. [The commissioner may prescribe  
36 regulations providing for the crediting against the estimated tax for  
37 any taxable year of the amount determined to be an overpayment of  
38 the premium tax for a preceding taxable year.]

39 (b) If a domestic insurance company has filed its tax return under  
40 this chapter for the calendar year on or before the due date of such  
41 return or, if an extension of time to file has been requested and  
42 granted, on or before the extended due date of such return, any  
43 overpayment reported on such return, if the company has elected to  
44 credit such overpayment against the company's estimated tax for the  
45 succeeding calendar year, shall be treated as if paid on the due date of  
46 the first required installment of estimated tax for such succeeding  
47 calendar year. Such overpayment shall be credited against the

- 48 otherwise unpaid required installments in the order in which such  
49 installments are required to be paid under section 12-204c.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013</i>	38a-91nn(b)
Sec. 2	<i>July 1, 2013, and applicable to estimated tax payments for calendar years commencing on and after January 1, 2014</i>	12-204f

**Statement of Purpose:**

To provide for a specific due date of March first for certain insurance taxes, and to allow an insurance company that has filed a final return for a calendar year after making its first installment for the succeeding calendar year to claim an overpayment reported on such final return as if it were paid or applied as of the due date of such first installment.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*